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UNCLAS SECTION 01 OF 02 GUANGZHOU 000510

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SUBJECT: Uighur Departure a Loss for Guangdong Shoe Factory

REF: A) Beijing 1955; B) Beijing 2183; C) Guangzhou 498

11. (SBU) SUMMARY: A short-lived experiment by a Nike supplier in Guangdong to employ 1,200 Uighur workers will end the last week in August when the 193 remaining Uighurs return to Xinjiang at the end of their year-long contract. Though some Uighur workers had considered extending for another year of work, all decided against it after the recent disturbances involving Uighur migrant labor in Shaoguan, Guangdong, and events in Urumqi. Local authorities have assigned officials to monitor the factory's Uighurs and have stepped up police presence around the factory. Representatives of the Xinjiang Uighur Autonomous Region (XUAR) government or local governments in Xinjiang have accompanied the Uighur workers since their arrival in south China and will return with the last of the workers. After significant investments of time and money into the program, factory management is disappointed by the departure of the Uighurs, whom it had hoped to employ long term. In response to May 2009 media allegations of child labor at the factory, managers and a Nike representative described their system for ensuring all workers are at least 18 years old. END SUMMARY.

"By next week, they will all be gone"

12. (SBU) "Their contract has ended, and though some [Uighurs] had considered extending for another year, after the Urumqi riots everyone decided to leave," said Dean Shoes Business Director Ronald Hui. Dean Shoes, a major supplier for Nike, experimented with employing up to 1,200 Uighur workers at their Huizhou-based factory from March 2008 until August 2009. Hui said the Uighurs' decision to return to Xinjiang instead of continuing to work for Dean appeared largely to be based on a desire to be with their families following the July unrest in Urumqi. Hui also said that a number of Uighur workers had told him they felt unsafe after violent incidents in Shaoguan, Guangdong, and Urumqi. As of late August, only 193 Uighur workers remained at Dean's factory.

Huizhou Authorities "Living" At Factory Since Riots

13. (SBU) Huizhou municipal government interest in Dean's Uighurs intensified following the June 26 factory riot in Shaoguan and the July 5 and 7 riots in Urumqi (reftels), according to a Dean manager, who said that local authorities had "practically lived at the factory" since then. (Note: No Huizhou authorities were observed during the August 20 factory tour. End note.) Police patrols have increased around the gate of the factory, which itself is located approximately twenty meters from a police substation, said the manager. Interest in the Uighur situation goes all the way to the

top of the city's government, according to Hui. "Before 7/5 [the July 5 Urumqi riots], I had never met the Huizhou mayor. Now I see him more than my own wife," he said.

Government "Coaches"

¶4. (SBU) As part of Xinjiang's labor transfer program, approximately every hundred workers are shepherded by a representative from the Xinjiang Uighur Autonomous Region (XUAR) government. These "coaches," as they are called, primarily serve as interlocutors between the Uighur workers and management. According to Hui, a Uighur-speaking coach is available by phone around the clock if needed by a Uighur worker. The last remaining three coaches -- two Han Chinese and one Uighur -- explained that their role was to assist the Uighurs both with work-related issues and with keeping in touch with their families in Xinjiang. When asked what effect the Urumqi riots had on these Uighurs, one of the government-appointed coaches claimed, "none at all." (Comment: The XUAR coaches' comments, which contradicted those made by the factory manager, were likely edited for the benefit of a U.S. government audience. End comment.)

Efforts To Integrate And Accommodate

¶5. (SBU) When Uighurs first arrived at the Dean factory March 11, 2008, Han workers' initial complaints were that Uighurs were "not smart enough" to do factory work, that their hygiene practices were insufficient and that they could not speak Mandarin Chinese, according to Hui. In response, Dean trained workers and management

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on dealing with cultural and religious differences, said Hui. At the same time, Uighur workers availed themselves of Mandarin Chinese language lessons provided by Dean. Although none of the Uighurs attained high-level fluency in Mandarin during their year at the factory, many Uighur workers were able to hold simple conversations with their Han coworkers and supervisors, said Hui. Perceptions that Uighurs were not smart enough for factory work quickly dissipated as the new workers learned their jobs and adjusted to the factory routine. Even the hygiene issues, said Hui, were largely resolved over time.

¶6. (SBU) Dean originally signed the Uighurs to a two-year contract, but later acquiesced to the one-year contracts the Uighurs signed with the XUAR government. Steps taken by the factory to accommodate the Uighurs included a halal kitchen equivalent in size to the kitchen preparing Chinese food, Uighur-only dormitory rooms, Chinese language classes, religious holidays in addition to national holidays and access to a Xinjiang television channel and newspapers. Signs throughout the compound were trilingual: Chinese, English and Uighur. Most of the Uighurs worked in a full range of normal manufacturing jobs, excluding those which required more advanced Mandarin to read chemical safety labels. When asked if he would consider trying the experiment again in the future, Hui said, "Maybe in five or ten years. Right now this is a political issue for the local government, but over time there might be other opportunities."

Child Labor Allegations Unsubstantiated; Age Check Methodology Explained

¶7. (SBU) A May 2009 Radio Free Asia (RFA) article singled out Dean's Huizhou operation as a destination for underage Uighur migrant workers. Both Nike and Dean made clear that individuals under 18 would not be allowed to work in the factory. As part of the program, the Xinjiang Government agreed to screen all Uighur workers to confirm that they were at least 18. (Note: The legal working age in China is 16, but it is Nike company policy that contractors only employ people 18 or older in footwear factories. End note.) Upon arrival at the factory, Dean used a computer program to again verify workers' ages against their second-generation identification cards, said Hui. A number of workers did not have second-generation cards, and so carried additional paperwork issued by authorities in

Xinjiang attesting to their age. A Nike corporate social responsibility (CSR) representative noted that 70% of the Uighurs had normal bank accounts, which indicated an additional verification of their identity. The other 30% managed their money through savings cooperatives or via government or commercial money transfers.

18. (SBU) Neither Nike nor Dean executives would speculate on how workers might acquire legitimate false identification documents before departing Xinjiang. Nike and Dean both expressed concern that there were few options to identify underage workers bearing government-issued identification showing them to be older than they actually were. The Nike CSR representative said that, in exit interviews with departing workers, some ethnic Han workers would occasionally claim that they had been 16 or 17 when hired using false or borrowed documents, but were already 18 or older at the time of the exit interview. Hui noted that Dean pays Shenzhen's minimum wage (CNY 900 per month; approximately US\$131) instead of the local minimum wage (CNY 580; approximately US\$85) and finds it comparatively easy to attract workers.

Uighur Workers: A Good Place To Work, But Excited For Home

19. (SBU) PolOff discussed working conditions and future plans with Uighurs at the factory compound. One young woman who spoke with heavily accented but understandable Mandarin Chinese and, eschewing the headscarf and donning the same fashion of dress popular with young Han Chinese factory workers, characterized the factory as "a good place to work." Nonetheless, the worker said she looked forward to returning to her home in Xinjiang and seeing her family again. She was unsure what she might do for employment after her return.

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